

Guidelines for Conservation District Annual Audits

The following standards, requirements, recommendations, deadlines and sanctions apply to all Conservation District “Financial Statements” audits required by the State Statute embodied in Soil Conservation District Law, Section 22-2721, Idaho Code and Idaho Statute 67-405B.

For the purpose of this guidance the term audits refers to both audits and financial reviews.

Audit Standards and Requirements

- ❖ District audits must include **all** funds received, maintained and expended by the District.
- ❖ District audits will be conducted by a Certified Public Accountant (CPA) and completed in accordance with generally accepted governmental auditing standards and the standards applicable to “Financial Statement” audits contained in the latest revision of *Government Auditing Standards* issued by the Comptroller General of the United States.
- ❖ A copy of the District audit along with all findings and management letters must be submitted by the required deadline to the Idaho Soil Conservation Commission. **An additional copy must be sent to the Legislative Services Office, Attn: Local Audit Coordinator, P.O. Box 83720, Boise, Idaho 83720.**
- ❖ Relatives within the first or second degree of Conservation District Supervisors, employees, or Conservation District Associate Supervisors cannot perform district audits. Relatives within the first degree would be a spouse, parent or child or spouse of a child and the second degree would be a grandparent or grandchild, sister or brother.
- ❖ A Letter of Engagement must be agreed upon and signed by both the District and the CPA.
- ❖ Federal audit requirements applicable because of receipt of federal assistance supersede the minimum audit requirement of Soil Conservation District Law, and Idaho Statute 67-450B.

Additional Recommendations

- ❖ Each District is strongly encouraged to have their auditor attend a monthly board meeting to present the findings of the completed financial report. Supervisors are strongly encouraged to take advantage of this opportunity to ask questions of the auditor concerning the audit and its findings. This meeting may also be a good time to have the auditor review some basic fiscal procedures with the board, such as presenting a review and evaluation of the

monthly financial reports. Supervisors need to understand the annual audit reports and the monthly financial reports that are presented to them.

Audit Deadlines

- ❖ The Idaho Soil Conservation Commission deadline for yearly or bi-annual audits is September 15 of the year following the close of the fiscal year(s) being audited. If a District cannot meet the September 15 deadline they must submit a deadline extension request. The request must be submitted on District letterhead and signed by District Chairman or Treasurer and include the reason for requesting the extension and the expected audit submission date. The requested extension date cannot be later than December 31 of the same year. The extension request must be postmarked or faxed to the Commission by the close of business September 10. Based on the information provided, Commission staff will act on the request (approve/disapprove). If the September 15 deadline is missed without the District receiving an extension, or the approved extension date expires without the submission of the required audit, the District will forfeit the second half of their state allocation for the current fiscal year.
- ❖ In addition, a District's obligation to submit an audit consistent with these guidelines continues beyond forfeiture of the second half state allocation. Commission staff will continue to track and report unsatisfied obligations for possible additional action as determined by the Commission.